

Fred James

Chief Regulatory Officer

Phone: 604-623-4046

Fax: 604-623-4407

bchydroregulatorygroup@bchydro.com

April 8, 2019

Mr. Patrick Wruck
Commission Secretary and Manager
Regulatory Support
British Columbia Utilities Commission
Suite 410, 900 Howe Street
Vancouver, BC V6Z 2N3

Dear Mr. Wruck:

**RE: British Columbia Utilities Commission (BCUC or Commission)
British Columbia Hydro and Power Authority (BC Hydro)
Transmission Service Freshet Energy Rate Schedule 1892 Extension
Application (Application)**

BC Hydro is seeking approval for an extension of the previously approved Rate Schedule 1892 – Transmission Service – Freshet Energy until December 31, 2019 pursuant to sections 58 to 60 of the *Utilities Commission Act*. This will allow transmission service customers to take service under the rate for the 2019 Freshet Period from May 1 to July 31.

The Freshet Energy Rate (**Freshet Rate**) was offered on an optional basis to transmission service Rate Schedule 1823 customers as a three-year pilot during the months of May through July for calendar years 2016, 2017 and 2018. BC Hydro filed the Freshet Rate Pilot Final Evaluation Report on December 17, 2018 in compliance with BCUC Order Nos. G-17-16 and G-45-18.

With regard to this application, BC Hydro had consulted extensively last fall with its transmission service customers and the Association of Major Power Customers of B.C. (**AMPC**), who supported the Freshet Rate being offered in 2019. BC Hydro proceeded to seek written notice of intent to participate from its RS 1823 customers prior to March 1, 2019 so as to comply with Special Condition 3 of Rate Schedule 1892 in the event that an extension was approved. Written notice was provided by customers representing a total of 38 unique sites.

In March, BC Hydro initially decided to not offer the Freshet Rate in 2019 because of current water conditions and the possibility of high Mid-C prices. However, AMPC has indicated that some of its members had already made production changes in anticipation of the Freshet Rate being offered. Therefore, AMPC reiterated its support for a one-year extension of the previously approved Freshet Rate and believes that transmission service customers should have the opportunity to choose whether to

participate even if Mid-C prices turn out to be higher compared to previous years during the 2019 Freshet Period. In response to this customer request, BC Hydro has therefore decided to file this application. BC Hydro anticipates filing an application for an on-going Freshet Rate in a future proceeding. Stakeholders and interveners will have the opportunity to provide their views fully during that proceeding.

BC Hydro has received letters of support from AMPC and the Ministry of Energy, Mines and Petroleum Resources (**MEMPR**) for the one year-extension of the Freshet Rate. The letters of support are included with the Application in Attachment 3.

BC Hydro respectfully requests a BCUC order granting approval of an interim and non-refundable rate by April 23, 2019 at the latest. BC Hydro recognizes that this is a short period of time, however, our customers require sufficient notice of the interim approval of RS 1892 prior to the May 1 start of the 2019 Freshet Period.¹ Customers that are interested in participating in the rate will need to plan their operations in advance. The interim and non-refundable rate will provide participating customers with certainty regarding the pricing of incremental electricity taken during the 2019 Freshet Period.

If the interim Freshet Rate is not approved on a final basis, BC Hydro will bill the customer for the period of service under the interim Freshet Rate on a non-refundable basis.

BC Hydro will prorate the Rate Schedule 1823 kVA demand charge if the interim Freshet Rate is cancelled part way through the Billing Period to reflect the combined periods of service under both Rate Schedule 1892 and Rate Schedule 1823 .

The customer's energy and demand charges will subsequently be determined in accordance with Rate Schedule 1823 and Rate Schedule 1880, as applicable, from the effective date of cancellation. BC Hydro will not rebill for any Electricity already supplied to the customer and charged under the Freshet Rate Schedule 1892 during the period from May 1 to the date of the final BCUC order regarding this application.

BC Hydro proposes a regulatory review process with interested parties providing written submissions and with BC Hydro providing a written reply submission. Table 1 below outlines a proposed schedule for this process:

¹ Given the short time available for implementation, BC Hydro intends to limit participation in the 2019 Freshet Period to the 38 customers that provided written notice of intent to participate prior to March 1, 2019. BC Hydro already has baselines for these customers which would simplify the implementation process.

Table 1 **Proposed Regulatory Review
Process for Freshet Rate Extension**

Process	Date
Filing of Application	April 8, 2019
BCUC Order regarding Interim Rate Approval (no later than)	April 23, 2019
Parties may provide Written Submissions	April 26, 2019
BC Hydro Reply Submission, if any	May 10, 2019
BCUC Decision	May 27, 2019

Attachment 1 provides the interim draft order sought by BC Hydro regarding the proposed extension.

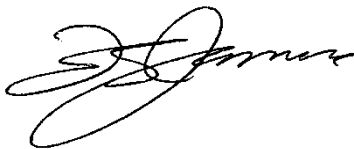
A clean and black-lined copy of the amended Freshet Rate Schedule 1892 tariff sheets is included as Attachment 2.

Attachment 3 includes the AMPC and MEMPR support letters.

BC Hydro appreciates that the requested time-line for the issuance of the interim order for the approval of Rate Schedule 1892 is short and thanks the BCUC for its attention to this matter.

For further information, please contact Anthea Jubb at 604-623-3545 or by email at bchydroregulatorygroup@bchydro.com.

Yours sincerely,



Fred James
Chief Regulatory Officer

ac/ma

Enclosure (1)

Copy to: Interveners that attended the October and November 2018 Workshops.

Transmission Service Freshet Rate Schedule 1892 Extension Application

Attachment 1

Draft Order

ORDER NUMBER

G-xx-xx

IN THE MATTER OF

the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

British Columbia Hydro and Power Authority (BC Hydro)
Transmission Service Freshet Energy Rate Schedule 1892 Extension Application (the Application)

BEFORE:

Commissioner
Commissioner
Commissioner

on Date

ORDER

WHEREAS:

- A. As part of the 2015 Rate Design Application filed on September 24, 2015, BC Hydro sought approval for a new optional rate schedule (RS) 1892 – Transmission Service - Freshet Energy, which provides participating customers market pricing for incremental consumption during the freshet period (May 1 to July 31 inclusive) on a pilot basis ending December 31, 2017 (the Freshet Rate Pilot). RS 1892 was approved by BCUC Order No. G-17-16. BC Hydro was also ordered to file three evaluation reports of the Freshet Rate Pilot: two preliminary reports and one final report;
- B. In compliance with BCUC Order No. G-17-16, BC Hydro filed its preliminary evaluation report for year one on December 8, 2016 (Appendix D to the report was filed on January 27, 2017);
- C. On December 8, 2017, BC Hydro filed its preliminary evaluation report for year two in compliance with BCUC Order No. G-17-16;
- D. On December 8, 2017, BC Hydro, along with the submission of its preliminary evaluation report for year two, applied for approval, pursuant to sections 58 to 61 of the *Utilities Commission Act*, for extension of the termination date of RS 1892 - Transmission Service - Freshet Energy to include a third year so that the rate schedule would expire on December 31, 2018. BC Hydro also proposed to extend the timeline for filing the final Freshet Rate Pilot evaluation report from spring 2018, as outlined in the 2015 RDA, to fall 2018. The BCUC approved the requested extension of the rate and also the proposed timing of the final evaluation report by BCUC Order No. G-45-18;
- E. BC Hydro filed its Freshet Rate Pilot Final Evaluation Report on December 17, 2018.

- F. On April 8, 2019, BC Hydro filed an Application requesting approval for an extension of the previously approved RS 1892 – Transmission Service – Freshet Energy rate effective May 1, 2019 until December 31, 2019. BC Hydro respectfully requests that the rate be interim and non-refundable, as explained further in the Application. The one year extension is supported by the Association of Major Power Customers of B.C. and the Ministry of Energy, Mines and Petroleum Resources.
- G. The BCUC has reviewed the Application and finds the extension of the previously approved Freshet Energy Rate to be warranted.

NOW THEREFORE the BCUC, pursuant to sections 58 to 61 of the *Utilities Commission Act*, orders as follows:

1. The Rate Schedule 1892 – Transmission Service - Freshet Energy as shown in Attachment 2 of the Application is approved effective May 1, 2019 on an interim and non-refundable basis as explained in the Application, until further Order of the BCUC.
2. BC Hydro is directed to file the amended Rate Schedule 1892 within 15 business days of the date of the order.

DATED at the City of Vancouver, in the Province of British Columbia, this (XX) day of (Month Year).

BY ORDER

(X. X. last name)
Commissioner

Attachment Options

Transmission Service Freshet Rate Schedule 1892 Extension Application

Attachment 2

Amended RS 1892 Clean and Black-lined

BC Hydro

Rate Schedule 1892 – Revision 4

Effective: May 1, 2019

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5. TRANSMISSION SERVICE

RATE SCHEDULE 1892 – TRANSMISSION SERVICE – FRESHET ENERGY

Availability	For Customers supplied with Electricity under Rate Schedule 1823 (Stepped Rate) that increase their Electricity usage during the Freshet Period, subject to the Special Conditions below.
Applicable in	Rate Zone I excluding the Districts of Kingsgate-Yahk and Lardeau-Shutty Bench.
Termination Date	This Rate Schedule will terminate effective December 31, 2019.
Rate	<p>Energy Charge:</p> <p>The charge applied to energy supplied under this Rate Schedule 1892 during each HLH and LLH of the current Freshet Period is equal to:</p> <ol style="list-style-type: none">The greater of<ol style="list-style-type: none">The Intercontinental Exchange (ICE) Mid-Columbia (Mid-C) Peak or Mid-C Off-Peak weighted average index price, as published by the ICE in the ICE Day Ahead Power Price Report, applicable to the hour, and\$0/kWh, plusA \$3/MWh wheeling rate.
Definitions	<p>Terms used in this Rate Schedule have the meanings given to them in Electric Tariff Supplement No. 5 or Rate Schedule 1823 (Stepped Rate). In addition, the following terms have the following meanings:</p> <ol style="list-style-type: none">Freshet Period May 1 to July 31 inclusive.

ACCEPTED: _____

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BC Hydro

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Effective: May 1, 2019

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	<p>2. HLH</p> <p>The hours ending 0700 to 2200, Monday through Saturday excluding North American Electric Reliability Corporation holidays.</p> <p>3. HLH Baseline</p> <p>The Customer's average hourly energy consumption under Rate Schedule 1823 during HLH of the 2015 Freshet Period.</p> <p>4. HLH Gross Freshet Energy</p> <p>The sum of energy taken by the Customer during each HLH of the current Freshet Period in excess of the HLH Baseline, excluding all hours where the energy taken is less than the HLH Baseline.</p> <p>5. HLH Net Freshet Energy</p> <p>The total energy taken by the Customer during all HLH of the current Freshet Period in excess of the total energy taken by the Customer under Rate Schedule 1823 during all HLH of the 2015 Freshet Period.</p> <p>6. HLH Net to Gross Ratio</p> <p>The ratio obtained by dividing HLH Net Freshet Energy by HLH Gross Freshet Energy.</p> <p>7. LLH</p> <p>The hours ending 2300 to 0600, Monday through Saturday and all day Sunday and North American Electric Reliability Corporation holidays.</p> <p>8. LLH Baseline</p> <p>The Customer's average hourly energy consumption under Rate Schedule 1823 during LLH of the 2015 Freshet Period.</p>
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ACCEPTED: _____

ORDER NO. _____

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BC Hydro

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Effective: May 1, 2019

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	<p>9. LLH Gross Freshet Energy</p> <p>The sum of energy taken by the Customer during each LLH of the current Freshet Period in excess of the LLH Baseline, excluding all hours where the energy taken is less than the LLH Baseline.</p> <p>10. LLH Net Freshet Energy</p> <p>The total energy taken by the Customer during all LLH of the current Freshet Period in excess of the total energy taken by the Customer under Rate Schedule 1823 during all LLH of the 2015 Freshet Period.</p> <p>11. LLH Net to Gross Ratio</p> <p>The ratio obtained by dividing LLH Net Freshet Energy by LLH Gross Freshet Energy.</p> <p>12. Reference Demand</p> <p>The average of the highest kVA Demand during the High Load Hours in each of May, June and July 2015, where the High Load Hour period is as defined in Rate Schedule 1823.</p>
<p>Reference Demand for Rate Schedule 1823</p>	<p>If the Customer is supplied with Electricity under this Rate Schedule 1892, for the purposes of determining Billing Demand under Rate Schedule 1823 for each of the Billing Periods during the current Freshet Period, the highest kVA Demand during the High Load Hours in the Billing Period will be equal to the lesser of:</p> <ol style="list-style-type: none"> 1. The Reference Demand; and 2. The actual highest kVA Demand during the High Load Hours in the Billing Period.

ACCEPTED: _____

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Reference Energy for Rate Schedule 1823	<p>If the Customer is supplied with Electricity under this Rate Schedule 1892, the energy supplied to the Customer under Rate Schedule 1823 will be deemed to be the total energy supplied to the Customer less HLH and LLH Net Freshet Energy.</p> <p>Until BC Hydro has determined HLH and LLH Net Freshet Energy after the current Freshet Period, on an interim basis BC Hydro will bill the Customer for energy consumption under Rate Schedule 1823 during each HLH and LLH of the current Freshet Period on the basis that energy consumption is equal to the HLH Baseline and LLH Baseline respectively.</p> <p>When BC Hydro has determined the HLH and LLH Net Freshet Energy for the Customer, BC Hydro will make any necessary retroactive billing adjustments in relation to energy supplied under Rate Schedule 1823.</p>
Rate Schedule 1892 Energy Determination	<ol style="list-style-type: none">1. If HLH Net Freshet Energy is greater than zero, for each HLH hour of the current Freshet Period the energy taken by the Customer during the hour in excess of the HLH Baseline will be multiplied by the HLH Net to Gross Ratio, and the product will be the amount of energy supplied during that HLH hour under this Rate Schedule 1892.2. If LLH Net Freshet Energy is greater than zero, for each LLH hour of the current Freshet Period, the energy taken by the Customer during the hour in excess of the LLH Baseline will be multiplied by the LLH Net to Gross Ratio, and the product will be the amount of energy supplied during that LLH hour under this Rate Schedule 1892.3. All other energy supplied to the Customer during the current Freshet Period will be deemed to have been supplied under Rate Schedule 1823.
Special Conditions	<ol style="list-style-type: none">1. Electricity is available under this Rate Schedule on a pilot program basis during the Freshet Periods of 2016, 2017, 2018 and 2019 only.

ACCEPTED: _____

ORDER NO. _____

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BC Hydro

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	<p>2. BC Hydro agrees to provide Electricity under this Rate Schedule to the extent that it has energy and capacity to do so. BC Hydro may refuse Service under this Rate Schedule in circumstances where BC Hydro does not have sufficient energy or capacity. For greater certainty, BC Hydro will not be required to construct a System Reinforcement under Electric Tariff Supplement No. 6 to provide Service under this Rate Schedule.</p> <p>3. By March 1 of each year in which the Customer wishes to take Electricity under this Rate Schedule, the Customer must notify BC Hydro that the Customer elects to take Electricity under this Rate Schedule during the upcoming Freshet Period and also provide to BC Hydro an estimate of the amount of energy (in MWh) that the Customer expects to take under this Rate Schedule during each month of the Freshet Period and a description of the operational changes the Customer plans to make at its plant to take advantage of this freshet energy pilot program.</p> <p>4. If BC Hydro and the Customer agree that the LLH and HLH Baselines or Reference Demand calculated in accordance with the provisions above are not representative of the Customer's expected Rate Schedule 1823 Electricity usage during the Freshet Period of 2016, 2017, 2018 or 2019, and the parties agree to alternative LLH and HLH Baselines or Reference Demand, BC Hydro will file the agreed-to baselines or Reference Demand with the British Columbia Utilities Commission (BCUC). Subject to direction from the BCUC, BC Hydro will use such filed baselines or Reference Demand for the purposes of applying this Rate Schedule and Rate Schedule 1823.</p>
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ACCEPTED: _____

ORDER NO. _____

COMMISSION SECRETARY

BC Hydro

Rate Schedule 1892 – Revision 4

Effective: May 1, 2019

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	<p>5. Electricity under this Rate Schedule will not be available to a Customer if:</p> <p>(a) The Customer has an electricity purchase agreement (EPA) with BC Hydro; and</p> <p>(b) The Customer has, in accordance with the EPA, changed the Seasonal, Monthly or Hourly GBL (as applicable and as defined in the EPA) applicable during the Freshet Period of 2016, 2017, 2018 or 2019.</p> <p>6. A Customer taking Electricity under this Rate Schedule may, by providing notice to BC Hydro at any time prior to July 31, cancel supply under this Rate Schedule for the current Freshet Period.</p> <p>7. If a Customer taking Electricity under this Rate Schedule advises BC Hydro that the Customer is or will be taking Electricity under Rate Schedule 1880 (Standby and Maintenance) during the current Freshet Period, supply under this Rate Schedule will be automatically cancelled for the current Freshet Period.</p> <p>8. If supply under this Rate Schedule is canceled under Special Condition No. 6 or 7, all Electricity supplied to the Customer during the current Freshet Period will be deemed to be supplied under Rate Schedule 1823 or Rate Schedule 1880, as applicable. Such Customer's Energy and Demand Charges will be determined in accordance with Rate Schedule 1823 or Rate Schedule 1880, whichever is applicable, and BC Hydro will make any necessary retroactive billing adjustments.</p> <p>9. Subject to any advance billing arrangement under Electric Tariff No. 5 or other special billing terms in effect for a particular Customer, BC Hydro will bill for Electricity supplied under this Rate Schedule 1892 after the Freshet Period has ended and BC Hydro has determined the HLH and LLH Net Freshet Energy for the Customer. BC Hydro will then make any necessary retroactive billing adjustments in relation to energy supplied under Rate Schedule 1823.</p>
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ACCEPTED: _____

ORDER NO. _____

COMMISSION SECRETARY

BC Hydro

Rate Schedule 1892 – Revision 4

Effective: May 1, 2019

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	10. All monetary amounts referred to in this Rate Schedule will be paid in Canadian currency. The ICE Day Ahead Power Price Report referenced in this Rate Schedule is published in US dollars, and the amounts in the report will be converted from US dollars to Canadian dollars at the Bank of Canada daily exchange rate on the applicable day(s).
Taxes	The rates set out in this Rate Schedule are exclusive of goods and services and provincial sales taxes.
Note	The terms and conditions under which Transmission Service is supplied are contained in Electric Tariff Supplement Nos. 5 and 6.
Rate Rider	The Deferral Account Rate Rider as set out in Rate Schedule 1901 applies to all charges payable under this Rate Schedule, before taxes and levies.
Interim Rate	Effective May 1, 2019, the rates set out in this Rate Schedule are approved on an interim and non-refundable basis.

ACCEPTED: _____

ORDER NO. _____

COMMISSION SECRETARY

BC Hydro

Rate Schedule 1892 – Revision ~~34~~
Effective: May 1, 2018~~9~~
Page 5-25

5. TRANSMISSION SERVICE

RATE SCHEDULE 1892 – TRANSMISSION SERVICE – FRESHET ENERGY

Availability	For Customers supplied with Electricity under Rate Schedule 1823 (Stepped Rate) that increase their Electricity usage during the Freshet Period, subject to the Special Conditions below.
Applicable in	Rate Zone I excluding the Districts of Kingsgate-Yahk and Lardeau-Shutty Bench.
Termination Date	This Rate Schedule will terminate effective December 31, 2018 9 .
Rate	<p>Energy Charge:</p> <p>The charge applied to energy supplied under this Rate Schedule 1892 during each HLH and LLH of the current Freshet Period is equal to:</p> <ol style="list-style-type: none"> The greater of <ol style="list-style-type: none"> The Intercontinental Exchange (ICE) Mid-Columbia (Mid-C) Peak or Mid-C Off-Peak weighted average index price, as published by the ICE in the ICE Day Ahead Power Price Report, applicable to the hour, and \$0/kWh, plus A \$3/MWh wheeling rate.
Definitions	<p>Terms used in this Rate Schedule have the meanings given to them in Electric Tariff Supplement No. 5 or Rate Schedule 1823 (Stepped Rate). In addition, the following terms have the following meanings:</p> <ol style="list-style-type: none"> Freshet Period May 1 to July 31 inclusive.

ACCEPTED: _____

ORDER NO. _____

COMMISSION SECRETARY

BC Hydro

Rate Schedule 1892 – Revision ~~34~~

Effective: May 1, 201~~89~~

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	<p>2. HLH</p> <p>The hours ending 0700 to 2200, Monday through Saturday excluding North American Electric Reliability Corporation holidays.</p>
	<p>3. HLH Baseline</p> <p>The Customer's average hourly energy consumption under Rate Schedule 1823 during HLH of the 2015 Freshet Period.</p>
	<p>4. HLH Gross Freshet Energy</p> <p>The sum of energy taken by the Customer during each HLH of the current Freshet Period in excess of the HLH Baseline, excluding all hours where the energy taken is less than the HLH Baseline.</p>
	<p>5. HLH Net Freshet Energy</p> <p>The total energy taken by the Customer during all HLH of the current Freshet Period in excess of the total energy taken by the Customer under Rate Schedule 1823 during all HLH of the 2015 Freshet Period.</p>
	<p>6. HLH Net to Gross Ratio</p> <p>The ratio obtained by dividing HLH Net Freshet Energy by HLH Gross Freshet Energy.</p>
	<p>7. LLH</p> <p>The hours ending 2300 to 0600, Monday through Saturday and all day Sunday and North American Electric Reliability Corporation holidays.</p>
	<p>8. LLH Baseline</p> <p>The Customer's average hourly energy consumption under Rate Schedule 1823 during LLH of the 2015 Freshet Period.</p>

ACCEPTED: _____

ORDER NO. _____

COMMISSION SECRETARY

BC Hydro

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Effective: May 1, 201~~89~~

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	<p>9. LLH Gross Freshet Energy</p> <p>The sum of energy taken by the Customer during each LLH of the current Freshet Period in excess of the LLH Baseline, excluding all hours where the energy taken is less than the LLH Baseline.</p> <p>10. LLH Net Freshet Energy</p> <p>The total energy taken by the Customer during all LLH of the current Freshet Period in excess of the total energy taken by the Customer under Rate Schedule 1823 during all LLH of the 2015 Freshet Period.</p> <p>11. LLH Net to Gross Ratio</p> <p>The ratio obtained by dividing LLH Net Freshet Energy by LLH Gross Freshet Energy.</p> <p>12. Reference Demand</p> <p>The average of the highest kVA Demand during the High Load Hours in each of May, June and July 2015, where the High Load Hour period is as defined in Rate Schedule 1823.</p>
Reference Demand for Rate Schedule 1823	<p>If the Customer is supplied with Electricity under this Rate Schedule 1892, for the purposes of determining Billing Demand under Rate Schedule 1823 for each of the Billing Periods during the current Freshet Period, the highest kVA Demand during the High Load Hours in the Billing Period will be equal to the lesser of:</p> <ol style="list-style-type: none"> 1. The Reference Demand; and 2. The actual highest kVA Demand during the High Load Hours in the Billing Period.

ACCEPTED: _____

ORDER NO. _____

COMMISSION SECRETARY

BC Hydro

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<p>Reference Energy for Rate Schedule 1823</p>	<p>If the Customer is supplied with Electricity under this Rate Schedule 1892, the energy supplied to the Customer under Rate Schedule 1823 will be deemed to be the total energy supplied to the Customer less HLH and LLH Net Freshet Energy.</p> <p>Until BC Hydro has determined HLH and LLH Net Freshet Energy after the current Freshet Period, on an interim basis BC Hydro will bill the Customer for energy consumption under Rate Schedule 1823 during each HLH and LLH of the current Freshet Period on the basis that energy consumption is equal to the HLH Baseline and LLH Baseline respectively.</p> <p>When BC Hydro has determined the HLH and LLH Net Freshet Energy for the Customer, BC Hydro will make any necessary retroactive billing adjustments in relation to energy supplied under Rate Schedule 1823.</p>
<p>Rate Schedule 1892 Energy Determination</p>	<ol style="list-style-type: none"> 1. If HLH Net Freshet Energy is greater than zero, for each HLH hour of the current Freshet Period the energy taken by the Customer during the hour in excess of the HLH Baseline will be multiplied by the HLH Net to Gross Ratio, and the product will be the amount of energy supplied during that HLH hour under this Rate Schedule 1892. 2. If LLH Net Freshet Energy is greater than zero, for each LLH hour of the current Freshet Period, the energy taken by the Customer during the hour in excess of the LLH Baseline will be multiplied by the LLH Net to Gross Ratio, and the product will be the amount of energy supplied during that LLH hour under this Rate Schedule 1892. 3. All other energy supplied to the Customer during the current Freshet Period will be deemed to have been supplied under Rate Schedule 1823.
<p>Special Conditions</p>	<ol style="list-style-type: none"> 1. Electricity is available under this Rate Schedule on a pilot program basis during the Freshet Periods of 2016, 2017, and 2018 <u>and 2019</u> only.

ACCEPTED: _____

ORDER NO. _____

COMMISSION SECRETARY

BC Hydro

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Effective: May 1, 201~~89~~

Page 5-29

2. BC Hydro agrees to provide Electricity under this Rate Schedule to the extent that it has energy and capacity to do so. BC Hydro may refuse Service under this Rate Schedule in circumstances where BC Hydro does not have sufficient energy or capacity. For greater certainty, BC Hydro will not be required to construct a System Reinforcement under Electric Tariff Supplement No. 6 to provide Service under this Rate Schedule.
3. By March 1 of each year in which the Customer wishes to take Electricity under this Rate Schedule, the Customer must notify BC Hydro that the Customer elects to take Electricity under this Rate Schedule during the upcoming Freshet Period and also provide to BC Hydro an estimate of the amount of energy (in MWh) that the Customer expects to take under this Rate Schedule during each month of the Freshet Period and a description of the operational changes the Customer plans to make at its plant to take advantage of this freshet energy pilot program.
4. If BC Hydro and the Customer agree that the LLH and HLH Baselines or Reference Demand calculated in accordance with the provisions above are not representative of the Customer's expected Rate Schedule 1823 Electricity usage during the Freshet Period of 2016, 2017, ~~or 2018~~ or 2019, and the parties agree to alternative LLH and HLH Baselines or Reference Demand, BC Hydro will file the agreed-to baselines or Reference Demand with the British Columbia Utilities Commission (**BCUC**). Subject to direction from the BCUC, BC Hydro will use such filed baselines or Reference Demand for the purposes of applying this Rate Schedule and Rate Schedule 1823.

ACCEPTED: _____

ORDER NO. _____

COMMISSION SECRETARY

BC Hydro

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5. Electricity under this Rate Schedule will not be available to a Customer if:
 - (a) The Customer has an electricity purchase agreement (**EPA**) with BC Hydro; and
 - (b) The Customer has, in accordance with the EPA, changed the Seasonal, Monthly or Hourly GBL (as applicable and as defined in the EPA) applicable during the Freshet Period of 2016, 2017, ~~or 2018~~ or 2019.
6. A Customer taking Electricity under this Rate Schedule may, by providing notice to BC Hydro at any time prior to July 31, cancel supply under this Rate Schedule for the current Freshet Period.
7. If a Customer taking Electricity under this Rate Schedule advises BC Hydro that the Customer is or will be taking Electricity under Rate Schedule 1880 (Standby and Maintenance) during the current Freshet Period, supply under this Rate Schedule will be automatically cancelled for the current Freshet Period.
8. If supply under this Rate Schedule is canceled under Special Condition No. 6 or 7, all Electricity supplied to the Customer during the current Freshet Period will be deemed to be supplied under Rate Schedule 1823 or Rate Schedule 1880, as applicable. Such Customer's Energy and Demand Charges will be determined in accordance with Rate Schedule 1823 or Rate Schedule 1880, whichever is applicable, and BC Hydro will make any necessary retroactive billing adjustments.
9. Subject to any advance billing arrangement under Electric Tariff No. 5 or other special billing terms in effect for a particular Customer, BC Hydro will bill for Electricity supplied under this Rate Schedule 1892 after the Freshet Period has ended and BC Hydro has determined the HLH and LLH Net Freshet Energy for the Customer. BC Hydro will then make any necessary retroactive billing adjustments in relation to energy supplied under Rate Schedule 1823.

ACCEPTED: _____

ORDER NO. _____

COMMISSION SECRETARY

BC Hydro

Rate Schedule 1892 – Revision 34

Effective: May 1, 20189

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	10. All monetary amounts referred to in this Rate Schedule will be paid in Canadian currency. The ICE Day Ahead Power Price Report referenced in this Rate Schedule is published in US dollars, and the amounts in the report will be converted from US dollars to Canadian dollars at the Bank of Canada daily exchange rate on the applicable day(s).
Taxes	The rates set out in this Rate Schedule are exclusive of goods and services and provincial sales taxes.
Note	The terms and conditions under which Transmission Service is supplied are contained in Electric Tariff Supplement Nos. 5 and 6.
Rate Rider	The Deferral Account Rate Rider as set out in Rate Schedule 1901 applies to all charges payable under this Rate Schedule, before taxes and levies.
<u>Interim Rate</u>	<u>Effective May 1, 2019, the rates set out in this Rate Schedule are approved on an interim and non-refundable basis.</u>

ACCEPTED: _____

ORDER NO. _____

COMMISSION SECRETARY

Transmission Service Freshet Rate Schedule 1892 Extension Application

Attachment 3

AMPC and MEMPR Support Letters



Association of Major Power Customers of BC



April 8, 2019

Mr. Patrick Wruck
Commission Secretary and Manager
British Columbia Utilities Commission
Suite 410, 900 Howe Street
Vancouver, BC V6Z 2N3

by e-mail to commission.secretary@bcuc.com

Dear Mr. Wruck:

Re: Freshet Rate Extension for 2019 Freshet

I write on behalf of The Association of Major Power Customers (AMPC) to express support for BC Hydro's recent application to extend the pilot for its Freshet Rate (RS1892) to include the upcoming Freshet season.

The freshet pilot to date has clearly demonstrated that surplus electricity may be sold at fair market value to industrial customers within a framework that benefits all customers of BC Hydro and the province and ensures that the market price risk is borne by the participants.

The extension of the Freshet Rate provides continuity for the many pilot participants, many of whom have modified their annual operating and maintenance schedules to suit the rate structure, until a permanent rate is approved.

AMPC looks forward to working with BC Hydro in the further development of the Freshet rate and other rate design options that would advance BC Hydro's goals of supporting economic development while maintaining competitive rates for all customer groups.

A handwritten signature in black ink, appearing to read 'Carlo Dal Monte'.

Carlo Dal Monte,
Chairman, AMPC

c. Keith Anderson, Vice-President, BCH
Les MacLaren, Assistant Deputy Minister
Ministry of Energy, Mines and Petroleum Resources



Re: 106466

April 8, 2019

Mr. Patrick Wruck
 Commission Secretary and Manager, Regulatory Services
 British Columbia Utilities Commission
 Suite 410, 900 Howe Street
 Vancouver, BC Canada V6Z 2N3

Email: Commission.Secretary@bcuc.com

Re: Freshet Rate Pilot Extension

Dear Mr. Wruck:

This letter is to express the support of the BC Ministry of Energy, Mines and Petroleum Resources (EMPR) for an extension to BC Hydro's optional rate schedule (RS) 1892 – Transmission Service – Freshet Energy termination date.

As a result of the 2013 Industrial Electricity Policy Review (IEPR), BC Hydro was directed, among other things, to look at potential arrangements for industrial power consumers to take advantage of their flexibility, such as time of use rates and interruptible rates, where these rates could benefit both those participating industrial customers and non-participating BC Hydro ratepayers. The freshet rate is a result of this process and government is supportive of the continuation of RS 1892 given that it has benefitted both industry and BC Hydro's ratepayers, and is consistent with EMPR's and BC Hydro's affordability mandate.

In addition, the BC government's February 2019 Comprehensive Review of BC Hydro: Phase 1 Final Report indicated that BC Hydro is pursuing strategies to grow domestic electricity demand including "exploring the option to offer current industrial customers year around access to real time, market-based pricing for incremental energy purchases."

BC Hydro has provided information to the British Columbia Utilities Commission (BCUC) on the benefits of the freshet rate pilot. As set out in BC Hydro's Final Evaluation Report, over the three years of the pilot, the freshet rate drove participation from approximately 30% of the transmission customer class, increased domestic energy sales by 458 gigawatt hours and revenue by \$11.8 million (M), and had an estimated positive ratepayer impact of \$3.7M. Further, Association of Major Power Consumers (AMPC) members have noted that they have been able to increase their production and improve their competitiveness as a result of the freshet rate pilot.

**Ministry of Energy, Mines
and Petroleum Resources**

Assistant Deputy Minister
Electricity and Alternative
Energy Division

Mailing Address:
PO Box 9314, Stn Prov Govt
Victoria, BC V8W 9N1

Location:
3rd Floor
1810 Blanshard Street
Victoria

This is evidence of RS 1892 supporting the *Clean Energy Act* energy objective to encourage economic development and the creation and retention of jobs.

BC Hydro has indicated to EMPR that they plan to bring forward an application to the BCUC in the fall of 2019 to make RS 1892 permanent, along with an application to implement a year-round market reference priced rate. AMPC has communicated, to both EMPR and BC Hydro, their members' desire to participate in the freshet rate pilot in 2019 to maintain business continuity and utilize prior investments in anticipation of BC Hydro bringing forward their application for permanent market reference priced rates.

Government is supportive of the freshet rate pilot being extended to provide greater certainty to industry. In addition, given the potential operational challenges with lower reservoir levels this year relative to the previous three years, the results of this year's pilot, if approved, will help inform the design of a permanent RS 1892.

Going forward, EMPR is supportive of permanent market reference priced rates insofar as ratepayers, over a multi-year period, benefit along with participating industrial customers.

Sincerely,



Les MacLaren
Assistant Deputy Minister
Electricity and Alternative Energy Division
B.C. Ministry of Energy and Mines

cc: Fred James
Chief Regulatory Officer
BC Hydro
Email: Fred.James@bchydro.com

Carlo Dal Monte
Chair
Association of Major Power Consumers
Email: Carlo.DalMonte@catalystpaper.com